

## Message Text

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PAGE 01 ASUNCI 04869 291756Z  
ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 ( ISO ) W  
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R 291712Z NOV 77  
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TO USDOC WASHDC  
INFO SECSTATE WASHDC 1694  
AMCONSUL RIO DE JANEIRO

UNCLAS ASUNCION 4869

E.O. 11652: N/A  
TAGS: BENC, EAIR, PA  
SUBJ: MAJOR PROJECTS: DESIGN AND CONSTRUCTION OF DOMESTIC AIRPORTS  
IN PARAGUAY

1. GOP WOULD APPRECIATE RECEIVING FROM U.S. FIRMS A PROPOSAL FOR THE DESIGN, CONSTRUCTION AND FINANCING OF UP TO FIVE DOMESTIC AIRPORTS. OF PRIMARY INTEREST TO THE GOP IS AN AIRPORT TO BE CONSTRUCTED IN CIUDAD PRESIDENTE STROESSNER WITH A 3500 METER RUNWAY AND AN "INTERNATIONAL" TERMINAL, COMPLETE WITH NECESSARY COMMUNICATIONS EQUIPMENT. ALSO UNDER CONSIDERATION ARE PROJECTS FOR THE DESIGN AND EITHER CONSTRUCTION OR UPGRADING OF DOMESTIC AIRPORTS IN FOUR INTERIOR TOWNS: MARISCAL ESTIGARRIBIA, CONCEPCION, PEDRO JUAN CABALLERO, AND ENCARNACION. THESE AIRPORTS ARE MUCH SMALLER AND WORK WILL PROBABLY NOT BEGIN FOR SEVERAL YEARS. FEASIBILITY STUDIES FOR THE AIRPORTS HAVE BEEN COMPLETED. THE GOP WOULD LIKE TO NEGOTIATE (A) WITH A COMPANY WHICH WOULD BOTH DESIGN AND CONSTRUCT THE AIRPORTS OR (B) WITH A COMPANY WHICH WOULD DESIGN THE AIRPORTS AND ACT AS SUPERVISORY ENGINEERS FOR THE COMPANIES WHICH WOULD CONSTRUCT AND EQUIP THE AIRPORTS.

2. THE ORIGINAL FEASIBILITY STUDIES FOR THE DOMESTIC AIRPORTS WERE MADE BY THE BRITISH FIRM BRIAN COLQUHOUN AND WERE UNCLASSIFIED

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PAID FOR BY THE WORLD BANK. THE COMPANY PREPARED ECONOMIC DATA AND AN ANALYSIS OF POSSIBLE AIRPORT LOCATIONS BASED ON THESE FACTORS PLUS SOIL ANALYSIS. THE GOP HAD HOPED TO OBTAIN WORLD BANK FINANCING FOR DESIGN AND CONSTRUCTION WORK AS WELL. HOWEVER, AFTER A REVIEW OF THE FEASIBILITY STUDY, BANK OFFICIALS STATED THEY WOULD ONLY CONSIDER FINANCING THE AIRPORT AT CIUDAD PRESIDENTE STROESSNER WITH A 2,000 METER STRIP AND IMPOSED

OTHER "ONEROUS" (UNSPECIFIED) CONDITIONS ON A POSSIBLE LOAN. PRESUMABLY, BANK DECISION WAS MADE ON BASIS OF TRAFFIC PROJECTIONS, THE EXISTENCE OF AN INTERNATIONAL AIRPORT ACROSS THE RIVER IN BRAZIL AND THE PROPOSAL TO BUILD AN AIRPORT NEARBY IN ARGENTINA.

3. REGARDLESS OF ECONOMIC FACTORS, GOP IS DETERMINED, FOR PRESTIGE REASONS, TO BUILD A MEDIUM SIZE INTERNATIONAL AIRPORT AT CIUDAD PRESIDENTE STROESSNER, RATHER THAN THE SMALL AIRPORT RECOMMENDED BY THE IBRD. ACCORDINGLY, OFFICIALS ARE LOOKING FOR FOREIGN FIRMS WHICH WOULD NOT ONLY DESIGN AND BUILD THE AIRPORT, BUT WOULD IN ADDITION PROVIDE FINANCING, PREFERABLY WITH A 10 TO 12-YEAR LOAN. ACCORDING TO EMBASSY'S PRESENT INFORMATION, GOP WOULD BE WILLING TO PROVIDE A CENTRAL BANK GUARANTEE FOR SUCH A LOAN. PROJECT IS STILL IN A FLUID STAGE BUT IT SEEMS LIKELY THAT GOP IS LOOKING FOR A NEGOTIATED CONTRACT AND WILL NOT ISSUE AN INTERNATIONAL TENDER.

4. SEVERAL U.S. FIRMS EXPRESSED A STRONG INTEREST IN THE PROJECT WHEN THERE WAS A POSSIBILITY OF IBRD FUNDING. IF THESE OR OTHER COMPANIES ARE INTERESTED AND CAN OBTAIN NECESSARY FINANCING, THEY SHOULD PLAN TO VISIT PARAGUAY IN THE NEAR FUTURE TO HOLD PRELIMINARY DISCUSSIONS.

5. EMBASSY SHOULD BE ABLE TO OBTAIN A COPY OF THE  
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FEASIBILITY STUDY BY THE END OF THE WEEK AND WILL AIR  
POUCH TO USDOC.  
WHITE

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## Message Attributes

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Margaret P. Grafeld  
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US Department of State  
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22 May 2009  
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